

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

September 28, 2005

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, September 28, 2005 beginning at 9:20 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

George B. Beardsley, First Vice President
Thomas A. Gougeon, Vice President
Richard A. Kirk, Vice President
Denise S. Maes, Vice President

Board employees and others present during portions of the Meeting were:

H. J. Barry, Manager
P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance
E. E. Pokorney, Director of Planning
M. L. Bassett, Director of Public Affairs
B. D. Good, Director of Operations & Maintenance
J. L. Diebel, Director of Engineering
C. R. Dermody, Director of Information Technology
C. Elam-Floyd, Manager of Human Resources
K. Kempke, Manager of Treasury Operations
S. Renouf, Community Affairs Specialist
M. L. Walker, Attorney
D. L. Little, Manager of Water Resource Planning
G. Fisher, Chief Planner
M. McAllister, Public Affairs
L. Cesario, Engineer
L. Firth, Manager of Community Relations
E. V. Gardener, Manager of Water Conservation
Walt Pettit, Distributor's Liaison Representative, Wheat Ridge Water
and Sanitation District
Duane Tinsley, Southgate Water & Sanitation District
Kevin Natapow, Colorado Environmental Coalition
Roberta Simonton, Citizens' Advisory Committee
Brenda O'Brien, GreenCo

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Media

Felix Doligose, Rocky Mountain News

Commissioner Beardsley called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioner Roberts was found to be absent for substantial cause and was excused.

Commissioner Beardsley explained that while the second meeting of the month was normally devoted to a study session, the Board would first take up matters which were postponed from the September 14 meeting. The Board's study session would follow and would include discussion of the 2006 Water Conservation Program, the Revised Communication Plan, and a proposal for a Rates Design Task Force. Following the study session, the Board would adjourn to Executive Session.

Commissioner Beardsley issued an invitation to members of the public to comment to the Board on any matters not included in the Agenda for the meeting. There was no response.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. **ITEM V-A-1: RESOLUTION CONCERNING BOARD GOALS AND GUIDANCE**

Mr. Barry explained the proposed resolution which was attached to the Agenda Item had been provided to the Distributor's Forum. The Forum provided a written response requesting that the Board postpone adoption of the resolution pending further discussion with interested stakeholders and Denver Water customers. A copy of the letter from the Distributor Forum is attached to and incorporated in these Minutes as Exhibit "A." The Colorado Environmental Coalition and Water Resources Advocates had also provided comment to the Board in the form of a letter suggesting changes to the resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

Commissioner Maes explained she did not intend to support the resolution because it was neither enforceable nor binding on the current or future Boards. Commissioner Maes opined the resolution should be the outcome of a wider process, as for instance the IRP process.

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Commissioner Gougeon explained the resolution was intended to provide direction and invoke dialogue but not to predetermine how the Board should address particular issues.

Commissioner Kirk expressed the opinion that the resolution captured the sense of the Board's discussions from the past several months and provided guidelines for the Staff to follow.

Commissioner Beardsley, while agreeing that the resolution would not be binding, expressed the opinion that the resolution provided a statement of direction and asked that a process be undertaken by staff with input from the Board.

Following extensive discussion between the Board members and the staff, Commissioner Gougeon moved and Commissioner Kirk seconded that the Board adopt the resolution with a preamble that explained that the descriptions following the goals were intended as recommendations for staff discussion.

The Board then passed the modified resolution, a copy of which is attached to and incorporated in these Minutes as Exhibit "C," on a vote of three to one, with Commissioners Beardsley, Gougeon and Kirk voting "aye" and Commissioner Maes voting "nay" for the reasons previously set forth.

2. **ITEM V-B-1: AGREEMENT FOR RECYCLED WATER SERVICE FOR MIRA VISTA GOLF COURSE**

Authorized entering into an agreement for recycled water service with CGA-CWGA Golf LLC for use of water in Mira Vista Golf Course located within the former Lowry Air Force Base, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

Mr. Barry explained Denver Water plans to construct the recycled transmission system necessary to deliver recycled water to the golf course by the Spring of 2007. Until recycled water is available, the property will be irrigated with potable water.

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3. **ITEM V–D–1: STUDENT EDUCATION AND RETROFIT PROGRAM**

Ratified and approved an agreement with Resource Action Programs to provide water conservation education and water saving devices to Denver Public Schools and suburban schools in the 2005/2006 school year at a cost to the Board not to exceed \$100,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "E."

Mr. Barry explained he had authorized the agreement because of the need to provide the Water Wise program to the participating school districts in a timely fashion. Ms. Renouf was introduced and described the program to the Commissioners. Ms. Renouf explained the program had been operating for the past seven years and is specifically tailored to meet Denver Water's criteria. Denver Water receives a report regarding participation at each school and estimates water savings at the end of the year based on the program. The cost per student for the Water Wise education kit is \$30.50.

Ms. Bassett explained that Denver Water will be working with Metro Wastewater to develop an additional program for use in the schools. Use of the Water Wise program is more appropriate than employing individuals to go into the classroom and provide assistance to the teachers as was done several years ago.

4. **ITEM V–E–1: HUMAN RESOURCE CHANGES: ADOPTION OF REVISED PERSONNEL POLICIES - CHAPTERS 1-5**

Adopted the revised Chapters 1-5 of the Personnel Policies, which are attached to and incorporated in these Minutes as Exhibit "F," and authorized technical, stylistic and nonsubstantive revisions to the remaining chapters for the purpose of conforming them to the revised chapters.

Ms. Elam-Floyd explained that new Chapters 1-5 include an employee Code of Ethics, a requirement for mandatory direct deposit, and limitations on the hiring and promotion of relatives. In response to a question from the Commissioners, Ms. Wells explained the need for the Board to adopt a Code of Ethics for Denver Water employees, rather than trying to incorporate provisions of the state law, miscellaneous personnel policies and the Denver Charter.

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5. **ITEM VI-E-1: DISCUSSION AND INFORMATION: COMMENTS FROM THE DISTRIBUTORS FORUM**

In response to a question from Commissioner Beardsley, Mr. Pettit opined that the Board's clarification of the Resolution addressed the issues identified in the letter from the Distributor Forum.

6. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board announced the next regular meeting would take place on **Wednesday, October 12, 2005**, at **9:15 a.m.** in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado.

No further business appearing, the Board voted unanimously to adjourn into Study Session at approximately 9:55 a.m. Mr. Beardsley explained that following the Study Session, the Board would meet in Executive Session to discuss potential litigation, real property disposition and negotiation. The Study Session concluded at 11:20 a.m.

EXECUTIVE SESSION

On Wednesday, September 28, 2005, commencing approximately at 11:28 a.m. in the Manager's Office, located in the Administration Building, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Executive Session:

1. Update on Real Property Disposition -- Jefferson County. § 24-6-402(4)(a)
2. Attorney Client Report on Potential Litigation Regarding Property Rights. § 24-6-402(4)(b).
3. Developing Potential Strategy Regarding Hydropower Negotiations with Xcel Energy § 24-6-402(4)(b) and (e).

There being nothing further for the Board to consider, the Executive Session concluded at approximately 12:25 p.m.

President

Secretary